

Attachment C.2

Public Hearing Minutes

REDMOND PLANNING COMMISSION MINUTES

May 30, 2007

COMMISSIONERS PRESENT: Chairperson Petitpas, Commissioners Querry, Snodgrass, Parnell, Hinman

STAFF PRESENT: Lori Peckol, Jayme Jonas, Sarah Stiteler, Rob Odle, Redmond Planning Department; Joel Pfundt, Public Works Department

RECORDING SECRETARY: Gerry Lindsay

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Chairperson Petitpas in the Council Chambers at City Hall.

APPROVAL OF THE AGENDA

There were no changes to the agenda.

ITEMS FROM THE AUDIENCE

Lee Madrid, 11 SE Redmond Way, spoke on behalf of the Woodbridge Community, noting that the Taylor Amendment zoning changes would affect areas adjacent to the community. Although the community homeowners are generally in agreement with the amendment, they are mainly concerned with the potential increased traffic, especially on 188th Avenue. Mr. Madrid said he met with Sarah Stiteler and Don Cairns to discuss long-range traffic planning for the area and was grateful for their help. He suggested the city should consider notifying communities regarding the proposed zoning change so that the people can determine how it will affect the future of their neighborhoods. He said he plans to continue attending the Council meetings and would like to stay in contact with the staff. He thanked the Commission for giving him time to look over the amendment on behalf of his community.

Commissioner Querry asked what comments the community had made. Mr. Madrid said that because 188th Avenue serves Genie Industries and Cadman, the community already has issues with there being a lot of freight traffic. The main concern is that a membership warehouse would increase the amount of trucks on the road. The other concerns were in regard to increased car traffic, garbage accumulation, noise pollution, potential residential zoning on the east side of 188th and possible changes to housing codes.

Commissioner Snodgrass thanked Mr. Madrid for his time and effort in crafting detailed public input. Commissioner Snodgrass asked staff when the first opportunity for public participation in a development agreement will be, and Lori Peckol said the main purpose of the public hearing is for the public to give their comments and is the first official

opportunity of the community to do so. Ms. Stiteler added that the staff works informally with the community for input throughout the process.

PUBLIC HEARING AND STUDY SESSION

■ Overlake Neighborhood Plan Update, and Group Health Request for Development Guide Amendment

Ms. Peckol gave an introduction of the Overlake Neighborhood Plan Update, explaining the purpose and key features. She said the amendment includes policies and regulations as well as a proposed master plan and implementation strategy that sets out a coordinated framework for bringing together land use, parks and open space, and transportation strategies through a multi-year implementation strategy.

Joel Pfundt presented the Transportation Plan and the elements involved. He listed specific proposed transportation projects for the bicycle and pedestrian network, parking management, roadways, transit, and transportation demand management. He talked about proposed transportation projects in the Action Alternative for transportation performance and said the plan enables the efficient use of existing and planned transportation systems, and enables successful implementation of the Overlake land use plan. He said access management and intelligent transportation systems would also make the system work more efficiently. The Sound Transit II package has been approved by the Sound Transit Board and will go to the voters in November. Sound Transit also plans to publish a Draft Environmental Impact Statement in 2008.

Ms. Peckol said this is the first phase of policy and regulatory amendments. The second phase will reflect updated agreements between Redmond and Bellevue, update the SEPA Planned Action, and carry out additional updates to functional plans for transportation, parks, and other facilities. Additional regulatory and potential policy amendments are anticipated as part of the second phase.

Commissioner Hinman asked if the Action Alternative would raise the current level of traffic and if traffic would actually be worse without the Action Alternative. Mr. Pfundt answered that the amount of traffic is similar either way, but the Action Alternative would create a more sustainable and long-term way to travel in and through the area.

Commissioner Snodgrass asked if Redmond shares its transportation models and if there is access to Bellevue's Bel-Red corridor updates. Mr. Pfundt allowed that the modeling work is shared. He added that the analysis and assumptions differ by city, but there is regular ongoing joint modeling work.

Commissioner Snodgrass asked if the level of traffic in Bellevue is equivalent to Redmond such that the policy can be transposed into each city's model. Mr. Pfundt answered that from a transportation planning and analysis perspective, the two should work well together.

Commissioner Parnell asked if there is a plan for potential on/off ramps at 132nd Avenue NE. Mr. Pfundt said there is no plan to have on/off ramps at that location. However, in the Bel-Red corridor study the other half of the interchange at 124th Avenue NE is included.

Larry Martin, 15730 NE 134th Street, spoke on behalf of Group Health, 777 108th Avenue NE, Bellevue. Mr. Martin said he is part of a planning team assembled by Group Health to redevelop a 28-acre site in the heart of Overlake. He said Group Health intends to move away from inpatient hospital care and to partner with other major existing hospitals to focus on delivery of services through outpatient treatment centers. One of these centers will be in Redmond as part of the River Park project, and another will be in Bellevue next to Overlake Hospital. He said the planning team for the Group Health Overlake property is focused on creating a vital, mixed-use, walking community, oriented toward transit service on the Overlake site. The Trammel Crow Company (TCC) is the primary real estate advisor and development member of the team. Phil Wood, head of TCC real estate development for the state of Washington, is the team leader. The team has turned to RTKL as an urban planning design firm to help with the logistics of creating the walking community.

Paul Shaw, 8411 Bluebonnet Road, Dallas, Texas, spoke on behalf of RTKL. He shared examples of potential types of development on the site under Group Health's requested policy and regulatory amendments and talked about land use, retail, public parks, parking structures, and the street hierarchy. He showed examples of architecture, open spaces for gatherings, and transit options.

Commissioner Snodgrass suggested the Planning Commission set aside a meeting to discuss the Group Health proposal

Todd Woosley, a land use consultant with Hal Woosley Properties and a representative of the premier real estate associations for residential and commercial, spoke on behalf of P. S. Business Parks and their effort to restore some business uses in what is now the RC zone. He said P. S. Business Parks is supportive overall of the long-range vision for the Overlake Neighborhood but has a few concerns about the interim impacts on existing properties and businesses. He said there are some regulations that need to be refined and enforced. In an extensive comment letter for the Draft Supplemental Environmental Impact, P. S. Business Parks has specifically requested that the city restore some of the uses to the RC zone in the Overlake Neighborhood consistent with the goal to maintain and enhance the Employment Area and the city's goals in the Comprehensive Plan Economic Vitality element. P. S. Business Parks is requesting a policy update that would allow businesses to locate in vacant spaces and stay or expand, which is currently prohibited to a degree at the Overlake Business Center. The economic development measure would improve the vibrancy and quality along 152nd Avenue NE in the interim. The Planning Commission and the city should be mindful of the interim impacts.

Continuing, Mr. Woosley added that P. S. Business Parks has an opinion that differs from staff relative to the first and second paragraphs in item 15 of the issues matrix. Although

the current uses increase the vitality of the area, by restoring some of the uses from the business park the property would be enhanced by providing higher quality tenants and physical facilities while still operating as a business park. By allowing some of the uses from the business park, opportunities could be created for advanced technology research and development types of businesses. The city should not inhibit going concerns and should support the adopted economic development policies both in the proposal and in the economic element of the Comprehensive Plan. Having a more vital center can improve the likelihood of redevelopment and could accelerate it because the cost basis in the ownership of the property is less.

Commissioner Snodgrass thanked Mr. Woosley for the detailed letter submitted April 23 and suggested he submit another letter for review that is more concise and has specific proposals on how to address the issues. Mr. Woosley agreed to do that.

Coby Holley, 14320 NW Meadowridge Drive, Portland, Oregon, spoke on behalf of P. S. Business Parks of which he is the vice president. He said the company is publicly traded and has recently acquired Overlake Business Center, which is bordered by NE 24th Street, 152nd Avenue NE and SR-520. The Business Center was purchased with the intent to own and operate the business park in its current configuration until the issues of light rail transportation and infrastructure funding are resolved, and until the market demand supports redevelopment. P. S. Business Parks would ultimately like to transform the business park into an urban area, but in the interim it will be important to allow existing uses and businesses to evolve. P. S. Business Parks has requested that the city adopt a cooperative approach to protecting and enhancing the economic viability of the existing land uses by allowing small to medium size businesses to locate at Overlake Business Center. Specifically, the request is that all currently permitted uses be retained, and that all permitted uses under the previous zoning that represent business types with viable market demand be restored. Without allowing these additional uses, many small and medium size businesses could be driven out because of the limited uses currently allowed. Some specific examples of uses that were previously allowed are software office and development uses, hardware and construction companies, and any general office use that would typically be permitted in a business park zone.

Commissioner Parnell asked if acquiring business parks are part of the company's core business or if this is one component of the business. Mr. Holley said the core business of the company is business parks; the company owns 20 million square feet of similar product throughout the United States but is just venturing into the Seattle Metropolitan area.

Commissioner Parnell asked if the company has been through the Comprehensive Plan process before. Mr. Holley said the proposal represents a unique challenge in that similar regulatory challenges have not been a factor with other business parks. He said the company knew about the challenges going into the project and was aware it would have opportunity to play a role in defining the future of the Overlake Village area.

Daryl Reichstein, 1219 5th Place, Kirkland, also spoke on behalf of PS Business Parks and said he is the senior property manager for the Overlake Business Center. Mr. Reichstein said the current zoning makes it difficult for the business park to operate as a whole. Finding the types of customers that fit the allowed uses has been the greatest challenge. The key to success is tenant retention and attracting new customers to fill vacancies. However new business is being turned away because they are not allowed under the current zoning. Some of the tenants are looking to other cities. He said a marketing company tenant is being evicted because the City of Redmond determined the business is not allowed in the RC zone. The city should reconsider the uses allowed in the zone.

Scott Coombs, 9035 NE 28th Street, Bellevue, spoke as executive vice president for the commercial real estate brokerage company GVA Kidder Matthews. He voiced support for the request to expand the number of permitted uses in the RC zone. All vibrant communities allow for a diverse mix of business types and sizes. Strong communities need adequate zoning to accommodate numerous vendors, consultants and suppliers. These diverse companies provide a vital role in the success of the largest suppliers while providing healthy diversification of the local workforce. The business park zone provides the needed incubator space for start-up companies, and that is crucial to the longevity and future vitality of the business community. Start-up companies initially look for small spaces with affordable rent, and as they grow larger are usually inclined to expand rather than relocate to accommodate their employee base. The residential community benefits from close proximity to business parks. Residents want services and amenities located as conveniently as possible, and a lack of business variety has an impact on nearby housing communities. The zoning change has significantly impacted the viability of the business park properties, and the existing uses are not likely to return to the area if they are not able to be successful. Developers are not likely to continue to develop similar products due to the high land values and costs of constructing the individual units.

Chairperson Petitpas asked what the vacancy rate is in other business parks in Redmond. Mr. Coombs answered that generally it is less than ten percent for all product types, but added that the rate in the incubator category is less. He said the demand is high and there are few options.

Carol Helland, 2626 181st Avenue NE, Redmond, suggested that the development-enabling actions the Commission is being asked to take are premature. For one thing, the Viewpoint neighborhood is not involved in the process. Notification for the proposed plan was not broadly disseminated to Viewpoint neighborhood residents, even though there are homeowners associations that could have been contacted with the information. The transportation analysis did not include any of the intersections that are east of 156th Avenue NE or along the NE 24th Street corridor, which is a prime corridor for the Viewpoint neighborhood to exit. The Commission is being asked to take action on the plan without appropriate governors in place. There is no financing plan to say how the improvements will be built. She questioned entitling four million square feet of development without ensuring that there is some phasing in place to insure the

development will not get ahead of the transportation capacity. The Overlake neighborhood and Viewpoint neighborhood processes should be better synchronized so that there can be an understanding of the impacts of both at the same time. She added that King County Metro has been making service reductions to the Viewpoint area, which is unacceptable in light of the kind of development that will be seen in Overlake.

Austin Khan spoke on behalf of OTO Development, a national hotel development firm that works with Hyatt, Starwood, Hilton and Marriot. He said the company would like to bring a new hotel property to the Overlake area. With the expected job growth, expansion of office space in the area and the vision for the city to have the employment base in Overlake continue to strengthen and grow, hotels will be a key support component for the businesses there. OTO is in negotiations with the property owner at 3040 148th Avenue NE; the site was selected because of its proximity to Microsoft, Nintendo and Honeywell, and because the traffic impacts may be minimized by being close to the corporate campuses. The average age of hotels currently in the area is 17 years, and all are on the Bellevue side of 148th Avenue NE. OTO would like to be on the Redmond side providing a modern and contemporary hotel serving the tech-savvy business travelers who typically visit the Microsoft, Nintendo and Honeywell campuses. The challenges OTO is facing are the development capacity caps currently in place and the FAR allowed in the RC zone, which is the zoning for the site OTO is considering. Typically, a hotel developer can work with an FAR of 0.4 to 0.75 and still be able to properly develop, construct and manage a hotel property; however, in Redmond under RC zoning a hotel developer must operate with an FAR of between 0.36 and 0.41 including transfer of development rights. That allows for a hotel use but does not allow a developer to move forward with any substance or quality due to the limitation of the total amount of square footage allowed. OTO would like the Commission to consider increasing the FAR for hotels by analyzing the amount of traffic generation for hotels versus other types of retail uses that are permitted in that area.

Commissioner Querry asked what FAR number OTO is seeking. Mr. Khan answered that for a hotel development to be possible in the area, an FAR of 1.25 to 1.5 is needed.

Commissioner Parnell questioned such a large increase in the allowed FAR. Mr. Khan said that an operator can get by with an FAR of 0.4 to 0.75, but in an urban area the number needs to be two to three times that much in order to make economic sense.

Commissioner Snodgrass suggested that OTO look at the proposed regulations for the Overlake plan to see what FAR bonuses would be available and if they would make a difference.

Darlene Sobieck, 18104 NE 28th Street, Redmond, voiced concern with the traffic increase that would result from adding 4600 multifamily units to the Overlake area. She urged the Commission to have a traffic plan clearly in place because the impacts reach past Overlake east to the Viewpoint neighborhood and down to Lake Sammamish.

There were no additional speakers. Chairperson Petitpas left the public hearing open.

Ms. Peckol added that written comments from the City of Bellevue, Patrick and Fay Cawley, Eric Godo, and Herb Bentley had been received.

Commissioner Hinman asked about the process of notifying the Viewpoint residents and noted that notification of issues seem to be growing. Ms. Peckol replied that over the past year and a half for the Overlake Neighborhood Plan there has been a design work shop and two open houses in addition to the public hearing just held. She said mailed notices were sent to all residents, property owners and business owners in the Overlake and the Grasslawn neighborhoods. There was also a general mailing to anyone interested in planning issues, which included addresses in Viewpoint. Notice was provided through newspapers and the City's web site, Focus on Redmond, RCTV, and there was some press coverage in the Redmond Reporter. In addition, major employers in the area disseminated the information through their intranets. Mailed notices were not sent to specific addresses in the entire Viewpoint neighborhood since most of the anticipated impacts were in Overlake and Grasslawn. However, information could be given to the residents on the Citizen's Advisory Committee for the Viewpoint Neighborhood Plan Update so they can spread the word through their neighborhood. Ms. Peckol added that staff does not have homeowner association information on file because of the large amount of resources needed to keep such information correct.

STUDY SESSION

■ Taylor Development Guide Amendment

Regarding issue three on the issues table, Commissioner Querry asked if the D1 definition has been run by an attorney to verify that it would exclude retail stores such as REI and PCC that offer memberships and provide discounts. Rob Odle replied that staff is comfortable the definition excludes those types of stores but will run it by an attorney if that is the recommendation of the Commission.

The Commission agreed provisionally to accept the definition in exhibit D1 over the original definition in exhibit D, providing that it be reviewed by an attorney.

Chairperson Petitpas closed issue three.

Regarding the wording of the development agreement in issue six, Commissioner Parnell suggested adding "...annexation and regional planning..." and "...human services element...."

Commissioner Snodgrass suggested the development agreement should address mitigating impacts on adjoining or nearby residential areas. He also suggested that prior to such a use there should be at least one neighborhood meeting with notification to all residences within 1000 feet of the property.

Commissioner Hinman asked where in the process the neighborhood meeting would take place. Mr. Odle explained that with a development agreement, staff goes to the City Council and requests a call for a public hearing, which can be conducted 30 days after the call. He suggested the neighborhood meeting should be conducted before the call for a public hearing is made.

After the Commission discussed various wordings, there was agreement to adopt the proposal of Mr. Odle to have the development agreement read: "The development agreement shall address impacts beyond those normally associated with manufacturing park uses accruing to adjacent properties and neighborhoods. In addition, a neighborhood meeting shall be conducted by the applicant in addition to and prior to staff requesting the calling of a public hearing meeting. Notice of this meeting shall be sent to all properties and residences within 1000 feet and any homeowners associations adjacent to the MP zone."

Chairperson Petitpas closed issues six and eight.

Commissioner Parnell suggested an addition to the footnote to clarify that any development of the use would follow the general commercial development standards.

Commissioner Querry voiced a concern over spot zoning and held that the MP zone should be looked at holistically. She said she would vote against the motion because it represents the wrong process for changing the zoning.

Commissioner Snodgrass agreed that the entire MP zone should be reexamined. He added, however, that the general language proposed avoids the spot zoning issue.

Motion to extend the meeting was made by Commissioner Querry; second was by Chairperson Petitpas and the motion carried unanimously.

Chairperson Petitpas noted that the reexamination of the MP zone as a whole is on the top of the list for discussion in the 2008 work plan.

Motion to adopt the proposal with the discussed amendments, subject to a review of staff's proposed language, was made by Commissioner Snodgrass; second was by Commissioner Hinman. The motion carried 3-2 with Commissioners Hinman, Snodgrass, and Petitpas voting for, and Commissioners Querry and Parnell voting against.

Ms. Stiteler asked the Commissioners to email her with any additional comments as soon as possible.

Motion to delegate the authority to review staff's final proposal to Chairperson Petitpas and sign off on it if she believes it incorporates the wishes of the majority was made by Commissioner Snodgrass; second was by Commissioner Querry, and the motion carried unanimously.

Commissioner Parnell volunteered to draft a minority report.

REPORTS/OTHER DISCUSSION TOPICS

Ms. Stiteler reported that at the May 29 City Council study session the Council accepted the explanatory statements for the parks and public safety levy and formally appointed committee members to the pro and con committees. No one stepped forward contrary to the proposal. Three representatives from parks and public safety have been identified. There was also a discussion of the transportation improvement program; the TIP will be available for public review June 5 and there will be a hearing for it on June 19 with adoption scheduled for July 3.

SCHEDULING/TOPICS FOR NEXT MEETING(S)

ADJOURN

Chairperson Petitpas adjourned the meeting at 10:07 p.m.

Minutes Approved On:

Recording Secretary

REDMOND PLANNING COMMISSION MINUTES

June 13, 2007

COMMISSIONERS PRESENT: Chairperson Petitpas, Commissioners Querry, Snodgrass, McCarthy, Hinman

STAFF PRESENT: Terry Marpert, Lori Peckol, Joel Pfundt, Jayme Jonas, Redmond Planning Department

RECORDING SECRETARY: Gerry Lindsay

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Chairperson Petitpas in the Council Chambers at City Hall.

APPROVAL OF THE AGENDA

There were no changes to the agenda.

ITEMS FROM THE AUDIENCE

There were no items from the audience.

PLANNING COMMISSION TRANSMITTAL REPORT APPROVAL

■ Taylor Development Guide Amendment

Chairperson Petitpas said the final report and minority report were approved by Commissioners and forwarded to the City Council. The Council on June 12 looked over the reports and indicated support for the proposed amendment provided the Commission thoroughly reviews the MP policies and regulations in 2008.

PUBLIC HEARING AND STUDY SESSION

■ Overlake Neighborhood Plan Update and Group Health Request for Development Guide Amendment

Chairperson Petitpas said the public hearing will remain open until June 20.

Donn Roberts spoke as the owner of two lots in the Koll Limited Edition Complex and president of the owner's association for the complex, which is located at the northwest corner of 152nd Ave. NE and NE 20th Street. He explained that the complex is comprised of office condominiums, with a total of nine buildings and 19 properties. Each building is divided in half with a common wall; the 19th property is a common area, which is the area outside of the footprint of the nine buildings. There are 19 separate tax parcels and

14 separate owners with the majority occupying their property with their own businesses. He said that in 1981 he purchased one of the properties and then in 1991 when his company grew too large he sold the first property and purchased two others. He said in 2001 he sold his company to the Trane Company and leased the building to them; they were issued a business license under the usage category of commercial heating and air conditioning, which is a use not currently permitted by the zoning of retail commercial adopted in 1999. The Trane Company plans on leaving later in the year, and finding someone to lease the buildings is proving to be difficult due to the zoning restrictions.

Continuing, Mr. Roberts said over the past several months, four potential buyers have been interested in the two buildings, but none have been able to obtain a business license from the City of Redmond for their use. Each of the potential buyers would have occupied the buildings with their businesses. So far, there have been offers from software and general contracting type businesses. One offer was received from Eaton School, which is an acceptable use, but they found the buildings unacceptable because of inadequate parking, limited ingress and egress, and no opportunity for outside activities because all areas outside the buildings are owned in common. Banks and retail companies have inquired about the buildings but lost interest when they realize there is a lack of retail frontage and visibility. The problem is that the interested businesses are not allowed uses and the businesses that are allowed uses are not interested because the complex does not suit their needs. The buildings are attractive to owner-occupied commercial businesses of the kind that currently occupy the complex and have for the past 26 years. The Commission was asked to recommend restoring the business park zoning to the unique office condominium complex.

Glenn Oaks, 2205 152nd Avenue NE, said he and his wife purchased Building 4 in the Limited Edition complex two and half years ago in order to operate a specialty printing business. He said he would like to sublease the portions of his building that are not being used but is having difficulty because of the RC zoning restrictions. He said that while he does not need retail signage and advertising frontage, the lack of visibility is an issue in drawing in other companies. His small, family-owned company needs the income that could come from subleasing. The various city departments dealt with have all been fair and welcoming. Overall, the City has been friendly to small businesses and has worked to retain them and enhance the small business environment. The Limited Edition complex is an anomaly compared to the other properties in the overall development scheme of Overlake Village because of the way it is designed, how it is owned, and the common utilities. He said he would like the City to take a close look at how to classify the complex because it could be a vital part to the City's plan for small businesses providing employment, paying taxes, being part of a friendly community, and having a true diversity in its entrepreneurial and community background.

Noel Lloyd, 2007 152nd Avenue NE, said he owns building 18 in the southwest corner of the Limited Edition complex. He said he purchased the first building in the complex in 1979 for his chiropractic practice and has been a continuous owner and occupier ever since, spending close to 30 years with the other business owners. He said he was present

to put a face to the small business owners in the complex because he is concerned about the usage. The zoning the businesses had prior to 1999 should be restored.

Donald Marcy, 524 2nd Avenue, Seattle, spoke on behalf of Microsoft. He raised the issue of a 300-foot transition zone along the east side of 148th Avenue NE that limits buildings to 35 feet in height. Microsoft is concerned about the properties located to the north of NE 51st Street; the height limit is a problem because it is an excessive regulation for the properties. The properties are already subject to a 200-foot setback, which provides a significant amount of distance between any development on those properties and the residentially zoned properties on the west side of 148th, and distinguishes them from other transition areas where residential meets commercial or office zoning. Other ways to address the potential interaction and conflict between residential and commercial properties are landscaping and berms. The Scheffield Greens residential complex on the west side of 148th has a substantial amount of landscaping, and in conjunction with the 200-foot setback and landscaping naturally required along the east side of 148th, should more than mitigate any potential impacts between the commercial development on the east side of 148th and the residential development on the west side of 148th. Microsoft would like the city to adopt a policy that allows an exception to the 300-foot transition zone for those properties, since they are uniquely situated. The 300-foot transition zone in conjunction with the 200-foot setback imposes some development constraints on the property. Microsoft is also concerned with pedestrian and bicycle trails on the properties located north of NE 51st Street from a risk and liability standpoint. He asked for verification that none of the properties owned by Microsoft are designated for parks.

Commissioner McCarthy asked for specifics regarding the practical impact of the limitation. Mr. Marcy said any buildings located within the limitation area could lose one to two floors of floor space. He said the undeveloped property on 148th is already constrained on the east side by trees, and with this new limitation, potentially several buildings could lose half their height and would be restricted to only two floors rather than four.

Jeff Jochums, 1040 SE 28th Place, Bellevue, spoke on behalf of the owners of the Limited Edition complex, and in particular Donn Roberts. He said he is a commercial real estate broker with experience in the general eastside office market, specializing in office space since 1995, and has sold four or five buildings in the complex. He said he was hired a few months ago to market one of the buildings in the complex. The bulk of the prospective buyers have been technology or software companies interested because of the close proximity to Microsoft. The uses are not currently allowed, however. Most of the companies would use the space the same way that a law firm, engineering firm, or accounting firm would use the space; those uses are allowed. It has been necessary to turn away prospective buyers because they cannot get a business license to operate in the area. The marketing of the unit has been changed to focus on uses that do comply with the zoning, which initially attracted a local school to the site, but because of the lack of flexibility to put in an outdoor play area and have their own identity, the school elected not to buy. Pete's Wines, a wholesale operation, has been interested but is struggling with the lack of visibility and lack of parking. The building is not truly designed for retail and

lacks the storefront and panache that most retailers look for. The zoning restrictions are impacting the value of the buildings to the owners and their ability to lease or sell them. He said he believes the business park zoning should be expanded, or the retail commercial zoning language should be amended, to allow for straight office uses.

Commissioner McCarthy asked if the condominium aspect of the site provides any particular challenges or drawbacks in the marketplace. Mr. Jochums replied that because of the condominium nature of the ownership, there is a set of covenants and restrictions that all buildings have to comply with. That dictates what the exteriors of the buildings can look like, what kind of signage can be done, and any outside additions.

Commissioner McCarthy asked if there have been any inquiries about purchasing the whole complex and possibly redeveloping all of it. Mr. Jochums said there have not been inquiries of that sort, but allowed that something like that might be necessary in order for the City of Redmond to obtain the desired development. However, that would likely cause several businesses to relocate to other cities and would reduce the number of incubator sites in the city.

There were no additional persons from the public wishing to testify. Chairperson Petitpas left the public hearing open.

Planner Jayme Jonas informed the Commission that nine letters were received concerning allowed uses in the Overlake Village area, in addition to a letter received from Microsoft. In response to Mr. Marcy's question, Ms. Jonas said no specific properties have been identified for parks in the Overlake Neighborhood. The city is, however, seeking opportunities to obtain park land; one such opportunity is associated with the pending Nintendo development agreement.

Commissioner Hinman listed the items on the issues table and noted that there have been a couple of comments received on the environmental summary. He urged the Commission to decide which additional concerns should be placed on the issues matrix. He commented that the land use and transportation components of the environmental summary have already been discussed and pointed out that a water storage facility will need to be put in the Overlake Village area, likely near Group Health or Microsoft because of the higher elevation.

Policy Planning Manager Lori Peckol said there is an administrative design flexibility provision that applies throughout the city. It has criteria for evaluating applications and sets specific parameters for what can be considered. The proposed policy in N-OV-14 referenced in issue 7 has a broader criteria for evaluation.

Chairperson Petitpas said she would like to see bike lanes included in proposed policy N-OV-71 because people bike from employment centers and retail areas. Transportation planner Joel Pfundt noted that bike lanes are not typically placed on local streets since the traffic speeds and volumes are not enough to create the need. He suggested having the language read "...make accommodations..." for bicycles rather than using the term "bike lanes."

Commissioner Query asked who would provide sidewalks. Mr. Pfundt said the city pays for and constructs sidewalks on new roads as well as old ones built by the city. Developers must provide them when they create new street frontage.

Commissioner Snodgrass voiced satisfaction with issues 1, 2, 3 and 5. He asked to leave issue 4 open for further discussion, but agreed to take it off the issues table.

Commissioner Hinman asked if there were any additional policy issues that needed to be identified.

Commissioner Snodgrass asked if the parking policies in NOV-43 are on the issues list. Ms. Jonas said she would add it to issue 10.

Regarding issue 20, Ms. Jonas explained that convenience, commercial and service uses are permitted uses in the Overlake Village area. The point of the new policy, N-OV-70, is to allow some of the uses to locate in the employment area so the employees have adequate access to them.

After some discussion, the Commission decided "...small-scale..." should be moved to the beginning of the sentence in the new policy to have it read "...permit small-scale convenience, commercial, and convenience service uses...."

Moving to issue 21, Commissioner Hinman asked which policy is correct. Commissioner Query said the old policy was 39 and the new is 64, 65. Ms. Jonas added that proposed policies 31 and 32 do address pedestrian-supportive environments.

Commissioner Snodgrass asked if the policy in issue 31 proposes that the minimum acceptable standard in Overlake be pedestrian supportive environments, which would establish design parameters and guidelines for items such as sidewalks and setbacks. Mr. Pfundt says that is what the Transportation Master Plan says and all new projects should be built to a pedestrian supportive standard. Commissioner Snodgrass asked if it is possible to make 148th pedestrian supportive. Mr. Pfundt said it is possible but that it would take wide sidewalks, wide buffers, and a lot to make the land uses interact with the pedestrian realm because it is such a busy street. With less busy streets it would not take as much sidewalk to be pedestrian supportive.

Chairperson Petitpas noted that the definition of pedestrian supportive varies by the level and location of the roads.

Commissioner McCarthy suggested removing the word "provide" from the definition so that it would read "...ensure that these things support a pedestrian environment."

Commissioner Hinman asked for clarification on what the Transportation Master Plan (TMP) says. Mr. Pfundt said it says the standard to which projects are built is "supportive".

Commissioner Snodgrass asked if this policy presents an unrealistic goal or impediment to reasonable development. Mr. Pfundt replied that it does not. In the past there has been enough flexibility to meet the intent and to be able to follow the guidelines.

The Commission decided that issue 31 is consistent with the TMP and reiterates the objectives. It was agreed the phrase "...supports the pedestrian environment as outlined in the TMP" should be added.

Commissioner Hinman closed issue 31 but allowed that the language will need to be reviewed.

Regarding the Green Streets in issue 22, Commissioner Snodgrass asked if there needs to be a policy to support the regulations. Ms. Jonas said proposed policy N-OV-40 covers it. Ms. Peckol added that some of the Green Streets concepts are in the proposed policies N-OV-35 and N-OV-36.

Commissioner Hinman closed issue 22.

Regarding issue 23, Chairperson Petitpas said she approves of having small gateways that are publicly funded. She said she would like to look for opportunities in the redevelopment process where small gateways could be added. Ms. Jonas added that the proposed Master Plan and Implementation Strategy mentions specific places where gateways could be located.

Commissioner Snodgrass commented that the Redmond side of Overlake would be a good place for gateways because they would help identify the fact that part of Overlake is actually in Redmond.

Commissioner Query mentioned that the Council is not in favor of the gateways because of concerns about the potential cost given the large number of possible locations for gateways.

Commissioner Hinman asked if the gateways are on the tier two portion of the incentives. Ms. Jonas said gateways are not part of the incentive program.

Commissioner Hinman closed issue 23.

In reference to issue 24, Mr. Pfundt commented that light rail is a critical part of the plan. He said it is unlikely there would be a 40 percent mode split without the light rail.

Commissioner Query mentioned that in the policy in issue 29, the mode split is for daily trips, not commute trips.

There was agreement to close issue 24.

Attention was drawn next to issue 7. Commissioner McCarthy asked if, when the SR-520 bridge gets replaced, the added capacity will have any impact on what the City can expect to see in terms of traffic through the Overlake area, and if any of the additional development in Overlake will be dependent on or require more facilities to be built, and if so, who will be required to pay for them. Mr. Pfundt said the SR-520 sensitivity analysis determined that the width of the bridge will have only a small impact on traffic volumes on the freeway through Overlake. The assumptions built in include some improvements to the Overlake section of SR-520, though what form they will take is as yet unknown.

The Commission agreed to close issue 7.

Commissioner Query suggested issue 8 is generally embedded in the general discussion and does not need to be discussed separately. The issue was closed.

Commissioner Hinman said issues 11 and 12 were both raised in discussions about circulation around the campus area and pedestrian safety. He proposed moving to the topic of pedestrian safety.

Chair Petitpas stressed the need for connections between the corporate campus area and the Overlake Village area, as well as between those areas and Downtown. Ms. Jonas said proposed policy 28 talks about mobility within and connections to and from Overlake, and the policy is focused on all modes. It was agreed to strengthen the language to stress the need for connections to the Downtown and other areas.

It was agreed that issue 12 could be closed.

Commissioner Hinman returned the focus to issue 9 and the 152nd corridor. Commissioner McCarthy suggested that there are a number of elements that will keep the matter in play for a long time.

Commissioner Hinman recommended bundling issues 9, 13 and 14, each of which concerns transit-related facilities. Commissioner Snodgrass suggested the Commission could benefit from having staff spend an hour with the Commission reviewing the relevant issues. It was agreed to combine the issues and table them to another meeting.

With regard to the comments from Viewpoint residents and the question raised by Commissioner McCarthy, Ms. Peckol said the process undertaken to date has involved all of the Overlake study area, including the single family residential portion of the area. She allowed, however, that certain residential issues typically covered through the neighborhood planning process have not been addressed, such as residential design standards and allowances for cottage housing. The proposal is to continue with the proposed boundaries between Overlake and Viewpoint and to include the residents of the single family neighborhoods of Overlake together with the Viewpoint planning process. The Overlake Neighborhood Plan was last updated in 1999; at that time there was policy support established for single family neighborhoods in transition to employment areas. The proposed update keeps that intent intact but also updates the format and organizes the

policies in a way that makes sense. There could ultimately be two sets of housing regulations, one for Viewpoint, and one for Overlake.

Commissioner McCarthy observed that the topics to be introduced as new to Overlake should also be introduced as new to Viewpoint. He noted that there has been such build out in the residential areas that new development will represent only a very small portion. It will make sense to discuss them together.

Ms. Peckol said the typical neighborhood planning process takes about two years to complete and updates are typically scheduled for every six years.

Issue 16 was closed on the agreement to address residential issues for Overlake such as design standards and cottage housing through a combined process with Viewpoint. Issue 17 was also closed.

REPORTS/OTHER DISCUSSION TOPICS

Chair Petitpas said the Council is expected to vote on the Taylor Development Guide amendment on June 19. She said the Council expressed favor for all of the work done by the Commission on the topic.

SCHEDULING/TOPICS FOR NEXT MEETING(S)

The Commission briefly discussed the topics to be covered on June 20.

Mr. Marpert said staff will get back to the Commission soon with possible retreat dates.

ADJOURN

Chairperson Petitpas adjourned the meeting at 10:07 p.m.

Minutes Approved On:

Recording Secretary

REDMOND PLANNING COMMISSION MINUTES

June 20, 2007

COMMISSIONERS PRESENT: Chairperson Petitpas, Commissioners Hinman, McCarthy, Snodgrass

STAFF PRESENT: Terry Marpert, Lori Peckol, Jayme Jonas, Redmond Planning Department

RECORDING SECRETARY: Gerry Lindsay

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Chair in the Council Chambers at City Hall. Commissioners Parnell and Querry were excused.

APPROVAL OF THE AGENDA

The agenda was approved by consensus.

APPROVAL OF MEETING SUMMARY

A. February 7, 2007

Commissioner Hinman commented that the minutes should reflect that he was present for the meeting. With that change, the Commission unanimously approved the meeting summary for February 7, 2007.

ITEMS FROM THE AUDIENCE – None

PUBLIC HEARING AND STUDY SESSION

Overlake Neighborhood Plan Update and Group Health Request for Development Guide Amendment

Policy Planning Manager Lori Peckol entered into the record a letter from Jim Potter, an Overlake property owner commenting on the proposed regulations; a number of letters with comments on the topic of the allowed uses in the Retail/Commercial zone; and four letters from residents of Viewpoint related to the timing of the proposed update and notice to Viewpoint residents.

Ms. Peckol also provided the Commissioners with a proposed update to a map in the Neighborhoods Element to correspond to the boundary in the proposed Overlake Neighborhood Plan update for Overlake. She noted that currently the boundary includes both Overlake and the Viewpoint area; the proposal would reestablish the previously

existing boundary and would be consistent with the Transportation Management District boundaries.

Chair Petitpas opened the public hearing.

Ms. Ann Bishop with Wallace Properties Commercial Real Estate, 330 - 112 Avenue NE, Bellevue, spoke on behalf of the owner of a lot in the Limited Edition Office Park. She explained that there are 18 separate lots in the office park which share common parking. She said the lot she represents was vacant for about six months during which time it was shown to about 25 prospective tenants, all of whom were well qualified. The RC zoning was workable for only about four of the 25. The lot was then placed on the market for sale. The park was constructed originally to accommodate businesses and service providers, many of whom are owner/users. Many of the current uses are non-conforming due to the RC zoning, though they are permitted to continue operating. The site is not conducive to retail uses because of the signage limitations, the lack of pedestrian traffic, a non-accommodating ingress and egress layout, the lack of storefronts, and limited parking. The result is vacancies, which is non-productive and non-attractive. The RC zoning does not allow high-tech tenants, some of whom are currently operating in the park.

Commissioner Snodgrass confirmed that the proposed zoning changes to the Overlake Village area will have little impact on the list of currently allowed uses. He highlighted the need to understand exactly what use changes are proposed.

Continuing, Ms. Bishop said she would like to see the current uses operating in the park be allowed to remain and for new owners to be able to come in with some of those types of uses.

Commissioner McCarthy said the Commission received prior testimony about the park serving similarly to a condominium for businesses. After confirming that the building owners in fact own the dirt underneath their buildings, he asked if someone owning both halves of a building could raze the building and redevelop the site under the existing regulations that govern the tax parcels. Ms. Bishop said the primary drawback is the commonly owned parking area; in order to redevelop, a property owner would have to buy out all 18 individual owners.

Commissioner McCarthy held that the property is prime for redevelopment; throughout Overlake, there is the potential to do more with what is there. He asked what tends to happen to such properties. Ms. Bishop said every property has a useful life; the physical buildings become dated over time. The real question is when is the right time for redevelopment to occur, and are the market factors such that a developer will take the time to assemble lots and make the development change.

Mr. Todd Woosley, 12001 NE 12th Street, Suite 44, Bellevue, spoke representing P S Business Parks and the Overlake Business Center. He said the average vacancy in the areas of the city that have retained the business park uses is running at about five percent.

The Overlake Business Center currently has a vacancy rate three times that high. Action by the city to restore previously allowed uses would reduce the vacancy rate. The change in allowed uses has resulted in a de facto property devaluation, and the tax implications are substantial. The previous owners of the property suffered nearly a 20 percent loss of value when they sold the property because of the vacancies; that directly translates into a 20 percent reduction in the Real Estate Excise Tax collected from the sellers. He asked for three specific actions: 1) the restoration of previously allowed uses throughout the RC zone; 2) the permitting of additional business types; and 3) beginning the conversation on flexible use zoning. Redevelopment can be a good thing, but four things must be in place first: 1) zoning that will allow for redevelopment; 2) infrastructure; 3) a market that supports redevelopment; and 4) a willing property owner. The Overlake Business Center will remain in its current configuration for the foreseeable future because the property owner is not willing to redevelop.

Commissioner McCarthy allowed that flexible zoning would be good for businesses but asked why it would be good for the city. Mr. Woosley suggested the city answered that question to a large degree by adopting the Economic Element of the Comprehensive Plan. That document specifically calls for retaining existing businesses in the city by allowing those businesses to thrive and grow, and for attracting new businesses to the city. Flexible zoning would permit new businesses to be created, allow new businesses aimed at serving other permitted businesses, and would reduce the number of vacancies, making properties more valuable, thus increasing the tax revenues to the city.

Commissioner McCarthy asked how significant a vacancy rate of 15 percent is compared to only five percent when it relates to only a single building in the city's inventory of buildings, especially when under the new zoning a variety of new uses could inhabit the space and generate tax dollars for the city. Mr. Woosley said there is about one million square feet of business park incubator space in the city. Overlake Business Center is 335,000 square feet, which is one-third of the total incubator space in the city. A vacancy rate three times higher than the other two-thirds of incubator space is experiencing is significant and detrimental to the city. Typically, eight out of ten jobs are created in small businesses, the very types of businesses that would like to locate in the vacant spaces.

Chair Petitpas asked what vacancy rates are being experienced in the other two-thirds of incubator space. Mr. Woosley said those areas have a five percent vacancy rate.

Mr. Darrel Reichstein, 1219 5th Place, Kirkland, spoke as the manager of Overlake Business Center. He thanked the city for agreeing to delay the process for some businesses that were previously denied a business license in the city. The RC zoning issues, however, still remain, and the solutions lie in the hands of the Commission. If the city upholds the RC zoning in Overlake, the following tenants will be forced to leave the park: EntireNet, Equis Group, ViaTech, VenTech, and S3 Graphics. Approximately 15 of the other businesses operating in the park are doing so as legally non-conforming uses; they are not allowed to expand or relocate within the park to keep up with their growing needs. If the businesses are forced out and cannot find comparable space in Redmond,

they will relocate to other cities and Redmond will lose tax revenues. Many of the businesses have flourished in their current locations and have no desire to move elsewhere.

Commissioner McCarthy asked why the businesses would be forced to relocate. Mr. Reichstein said it would be because they do not fit the RC zoning. They have been denied business licenses accordingly. Commissioner McCarthy asked how the businesses could be operating currently and have leases for the spaces without a valid business license from the city. Mr. Reichstein said each of the businesses has been legally operating in the park for some time; in January they received letters from the city giving them about ten days to get their applications in. Some of those applications were denied upon submittal; others were allowed as legal non-conforming uses.

Ms. Peckol said the city uses a variety of means to inform businesses and prospective businesses that any business operating in the city must have a business license. Whenever the city learns of a business operating in the city without a license, they are directed to apply for a business license. There are, however, only two code enforcement officers for the entire city and they do not monitor business parks to see if each business is licensed. The experience with Overlake Business Center has prompted the city to look at ways to improve its monitoring and to work with the owners of business parks encouraging them to require valid business licenses before approving any lease. When the Overlake Business Center went on the market for sale, the city learned about the businesses operating without licenses, made contact with them, and has been working with them since January.

Answering a question asked by Commissioner Snodgrass, Ms. Peckol explained that the city does not allow the expansion of non-conforming uses in a way that will make them more non-conforming. Some of the businesses in Overlake Business Center operating without business licenses may in fact be conforming uses.

Mr. Doug Wright, an occupant of Building 13 in the KCC Limited Edition, said IBI Enterprises purchased the building in 2002, primarily for software development and sales. A business license was issued at that time for Connx Solutions, a company associated with Limited Edition that develops software applications. The location is excellent, the park is well maintained, and the company wants to stay where it is. It was shocking to find out that the use is not permitted, even though the law disallowing the use in the zone was revised in 1999 and the building was purchased and a business license was issued for the business in 2002.

Ms. Peckol said the city recognizes that some permits were issued in error and will stand by them. The city has no intention of kicking out any business that was issued a business license, even if that issuance was in error.

Commissioner McCarthy asked if a business that holds a license that was issued in error, and which the city will recognize as a valid business, will be allowed to expand within its current location what amounts to a non-conforming use. Ms. Peckol explained that the

city proposes to treat such businesses similar to legal non-conforming uses, meaning that they can remain but not expand.

Mr. Reichstein said his preference would be for the city to rezone the site to BP so the existing businesses will all be legally conforming.

Mr. Mark Nelson, 12827 SE 242nd Court, Kent, said he is the president of Qualstar Credit Union located at 2115 152nd Avenue in the KCC Limited Business Park since 1987. The credit union use is a non-conforming use. He voiced concern over the ability of the credit union to expand and grow in the area; the credit union owns a building that has a non-conforming tenant, and if that tenant vacated his space, the credit union could logically expand into that space. The city should strongly consider rezoning the site back to BP.

Ms. Carol Helland, 2626 181st Avenue NE, said she authored one of the letters to the Commission regarding the Viewpoint neighborhood. She asked the Commission to slow down the process in order to involve the residential stakeholders in the Overlake neighborhood as well as the commercial stakeholders and to gather the information necessary to make an informed decision. The Viewpoint area residents were not properly involved in the process. The map changes were certainly not clear. The public participation strategy essentially presupposed the outcome of the Commission's recommendation to the Council and the Council's action that the neighborhood division would happen. The notice materials have been somewhat misleading; the Viewpoint neighborhood is not even shown on the map as part of the Overlake Neighborhood Plan. The action is also described as a clarification and enhancement of policies that were adopted in 1999, but clearly it goes well beyond that. The development being proposed is excellent, but the transportation analysis is inadequate. There is also quite a bit of information missing. There has not been adequate outreach. The opportunity for the Viewpoint neighborhood to be involved in a plan that will affect the area has never been mentioned. Grass Lawn had its impacts analyzed in the Environmental Impact Statement, but Viewpoint did not, probably because the trips that will be created as a result of the development in the Overlake Village area may go through Grasslawn. However, the creation of new trips as a result of development between existing neighborhoods and the regional transportation facilities should be understood. There is no need for haste; the planning horizon for the plan is 2030 and there is certainly time to do it right the first time. In November the citizens will be asked to vote on a light rail plan, but the Overlake plan presupposes the outcome of the vote by talking about light rail being in place with no governor on growth. The Bellevue planning effort that relates to the Overlake neighborhood is running just a few months behind Redmond, and the need for the two studies to be correlated is clear; time should be taken to reconcile the two plans for the purpose of obtaining the best transportation infrastructure possible for the region. A transportation analysis for the Viewpoint neighborhood should be compiled. A view analysis is also essential given that 12-story buildings could be a possibility.

Commissioner McCarthy asked Ms. Helland if she would prefer to have a separate Viewpoint neighborhood plan, or Viewpoint included in the Overlake Neighborhood

Plan. Ms. Helland said it would be reasonable to address residential concerns with residential stakeholders. The planning effort, however, has become vulcanized and the focus has been put on residential planning versus commercial planning. No one is adequately taking into account the cross impacts that can occur. The planning process should not be aligned along the transportation boundaries if those boundaries are going to be used as a mechanism to inadequately evaluate impacts. If Viewpoint needs to be combined with Overlake for the purposes of understanding the transportation impacts, it should be done.

Mr. Larry Martin, 15730 NE 134th Street, spoke representing Group Health Hospital. With regard to the comments made by Ms. Helland, he suggested that the process in the Overlake neighborhood has focused to a large degree on introducing more residential uses rather than polarizing commercial and residential uses. He said development on the hospital property could go forward even before BROTS is amended; there is nearly a half million square feet of existing development on the hospital site. The use is changing and the existing hospital use will be redeveloped, as it is entitled to do within the existing BROTS framework, up to the same level of development. It would make no sense to slow down the process as far as the hospital is concerned. Furthermore, the BROTS agreement does not restrict residential development. The statement was made that there are no governors on growth, but the reality is there are very strict governors on development in the area, especially so since all development must satisfy transportation concurrency. The city has for many years attempted to bring in mixed use to the area, but it has not been very successful. City policy is to redouble efforts to encourage more residential development in the area, which is what the proposal seeks to do. It is also typical in land use processes for people to show up claiming they did not receive proper notice. In this case there was a deliberate attempt to focus on a specific geographic area, but there has been no attempt to exclude people from the process.

Chair Petitpas closed the public hearing.

Commissioner Hinman asked staff to recap the efforts undertaken to reach the residential communities. Ms. Peckol said since the project was first proposed two years ago, the proposed focus was on the Overlake study area. Throughout the process mailings have been sent to every property owner, resident and business within that defined area. Notices have also been sent to the residents and tenants of the Grass Lawn area, in which the previous Environmental Impact Statement anticipated potential transportation impacts. In addition, there have been general mailings to persons interested in planning topics, and a variety of techniques have been employed to inform the community as a whole, including use of Focus on Redmond, newspaper articles, the web and RCTV.

Answering a question asked by Commissioner Hinman, Ms. Peckol said one of the key questions regarding the view issue is what are the views that need to be protected, if any.

Commissioner Hinman noted that over the past two years he has been following and to some extent participating in the planning process being undertaken by Bellevue for the Bel-Red corridor, which abuts the Overlake area. Bellevue staff participated in the

Redmond charrette, and Redmond staff has made presentations to the Bel-Red steering committee. There has been an extraordinary effort on the part of both jurisdictions at the planning level to understand where each city stands and is heading. Whether or not that will ultimately translate into full acceptance as the process moves up the chain is an unknown. Staff, however, should be complemented for their collaborative efforts.

Commissioner McCarthy suggested that the splitting off of Viewpoint from Overlake is to some degree similar to the way North Redmond was recognized as a separate neighborhood from Education Hill. It is unfortunate that in this circumstance Viewpoint will follow Overlake; had the timing been reversed, it is possible some of the issues may have been erased.

****BREAK****

Commissioner Snodgrass suggested that taking a look at the regulations would be premature unless the policies are reviewed first. Chair Petitpas concurred.

Commissioner Snodgrass said he is generally satisfied with the policies, though he allowed that there may still be a need for some editorial revisions to them.

There was agreement that while there will need to be additional review of the policies, it would be useful to discuss the issue table and then establish the context for moving forward.

With regard to issue S-1, residential development and hotels over six stories, it was agreed to set the issue aside until the regulations are discussed, but not to close it.

Turning to S-2, Commissioner Snodgrass said he understands the plan and the desirability of creating a fairly dense mixed use concept in the Overlake Village area. Intellectually it is attractive, but the fact is that most of the uses in the area are not likely to redevelop in the foreseeable future. The question of whether or not there will be a market need for the mixed use density has not been answered. Ms. Peckol said redevelopment will likely not happen on every property in the near term. There are, however, some properties that are poised for change, such as the Group Health site, and there are other properties that will take much longer to redevelop.

Ms. Peckol said her understanding of the S-2 issue as raised by Commissioner Parnell is the level of opportunity for developing true mixed use with retail on the ground floor and office and/or residential above. What the plan is primarily about is allowing in a variety of locations what amounts to a horizontal mixed use, especially on the larger parcels. Some locations will work best for all office or all residential; there are locations where having ground floor retail would be ideal, but not on every street.

Commissioner McCarthy asked if it would be reasonable to expect to see a true mixed use development without having to extend to the height of Lincoln Square. Ms. Peckol

said staff believes mixed use developments in the study area are feasible and that there is a market for it. The pattern is being successfully implemented throughout the region.

It was noted that S-3 is focused on market demand for additional lodging in the area. There was agreement to close the issue as it will be addressed in the fullness of other conversations.

Opportunities for additional services in the area, such as real estate firms, attorneys or catering, formed the focus of S-4. It was agreed to close the issue on the understanding that it will be taken up as part of other conversations.

With regard to S-5, how the city can prevent small businesses from being dislocated or priced out as redevelopment occurs, Assistant Planner Jayme Jonas said the idea that international businesses can serve as an identity for the area came up at the charrette and is reflected both in the policies and in the proposed bonus incentive program included in the regulations.

Commissioner Snodgrass proposed that the problem as outlined is the same as for the BP zone; it is just phrased another way. He commented that incubator space is not actually being taken away physically. The question is whether or not the list of permitted uses should be expanded, or whether or not the concept of flexible zoning should be considered. Many of the uses listed by the public are good uses and would fit in a mixed use residential setting. Simply broadening the general services definition may be sufficient.

Commissioner Hinman suggested that a temporary overlay may be the right approach to take during the transitional time for the area. That would keep the spaces occupied and the current uses in operation.

Chair Petitpas held that there are two issues: the issue of incubator spaces in the BP zone, and the issue of small retailers that may not be able to afford space in the RC zone. No one knows just how long the area will be in transition.

Commissioner Hinman pointed out that throughout the country where rail transit systems have been constructed local businesses along the line have prospered.

Commissioner Snodgrass said he could see no reason to incent international business. Commissioner Hinman said the issue arose at the charrette; the thinking was that the existing international businesses in the area that serve the region should be encouraged to remain. Commissioner Snodgrass pointed out that there is nothing in the regulations that either defines or inclines toward international-type businesses as opposed to any other kind of business.

Ms. Peckol said as proposed, the focus is on retaining existing businesses in the area following redevelopment; there is no specific mention of international businesses.

There was agreement to close the issue.

Turning to the issue of affordable housing, Ms. Peckol said the issue is treated in the regulations similarly to how it is treated elsewhere in the City. There is a proposed requirement for ten percent of all new developments containing ten dwelling units or more to be affordable to households earning 80 percent or less of the King County median income. There is also a proposed floor area for floor area bonus.

There was agreement to close the issue.

With regard to the policy questions, Commissioner Hinman noted that P-7 relates to parks and was raised by Microsoft. He asked if Parks has provided comment. Ms. Jonas said the park locations shown in the existing PRO Plan are very generalized. There is an indication for a park to the west of SR-520 and another to the east of SR-520, south of NE 40th Street. She noted that the city actively pursues opportunities to obtain new park land. One opportunity identified by Parks is through the pending Nintendo development agreement for the vacant lot at 51st. The proposed action essentially adopts the PRO Plan.

Commissioner Snodgrass proposed dropping the phrase "...including one proposed for the west side of SR-520 and one proposed for the east side of SR-520...." He said the reason for his suggestion is that the PRO Plan may change. The language should be something like "Develop parks identified in the PRO Plan within the employment area."

Ms. Peckol agreed that taking the language out of the text would make sense. Adding it to the preceding text would be appropriate and would keep the information from being lost. Commissioner Snodgrass said if the language is included as policy language in the Comprehensive Plan it will generate certain expectations and could constrain the processes of the Parks Board to determine where park facilities should be located. He allowed that including the language in the non-policy text would be acceptable.

The Commission concurred with the proposal to revise the policy language and the preceding text language. With that change, there was agreement to close the issue.

Commissioner Snodgrass proposed deferring consideration of P-8 until more information can be received from staff.

Ms. Peckol pointed out that Policy N-OV-9 speaks to allowing a certain amount of development capacity. The plan is based on a series of transportation improvements; without those improvements, the plan would not be enabled. The issue in P-8 is phasing and updating the policies and regulations as well as the growth and transportation improvements that go along with it. The proposed policy describes the City's intent for how much growth to consider through 2030.

Commissioner Snodgrass commented that if the Sound Transit vote fails, high-capacity transit will not be ten years out but rather 20 to 50 years out. The concept of P-8 does not

make sense given that the area is likely to remain automobile oriented. Additional discussion of the matter should await hearing from transportation staff about how much of the plan is driven by the assumption of high-capacity transit in the area.

Ms. Peckol said the decision whether to expand the commercial capacity in the Employment Area is proposed to be linked to transportation improvements such as light rail and other considerations, such as the pace of residential development in the area. However, the capacity that is in place for housing within the area was enabled through the 1999 plan. The proposal does not seek to significantly increase the residential capacity, rather to allow in different configurations. That is not dependent on light rail passing.

It was agreed to close the issue.

With regard to P-9, Commissioner Snodgrass referred to Policy A.1.5 and asked where the figure of 19.9 million square feet came from. Ms. Jonas said the number was determined by looking at different alternative zoning scenarios in the Overlake Business and Advanced Technology zone. For each alternative studied, the zoning for the Overlake Village area was largely maintained. For the Employment Area, however, alternative zoning was considered along with property ownership and current development patterns. The 19.9 million square feet figure was developed as the anticipated next increment based on an increase of FAR for the area. If the FAR were to be left unchanged, and disregarding the BROTS cap of 15.4 million square feet, there would be about one million square feet of capacity left in the area. With everything in the pipeline and the established development agreements, the area is up to 15.3 million square feet, and the current zoning and FAR would yield about 16.4 million square feet.

Commissioner Snodgrass asked if the increase, along with the potential density increases in the downtown area, have been analyzed to determine whether or not they are in sync with policy on the jobs/housing balance. Ms. Peckol said increasing the allowed FAR would mean an increase in the job capacity. However, in terms of what has been seen historically in the area, the increase is much less on an annual basis. The emphasis will continue to be on housing growth over job growth.

Commissioner Snodgrass said he would like to see the calculation showing that the increase is in sync with the previously adopted policy, noting that if the two are not in sync he will not support the policy language. He suggested that if 19.9 million square feet is made available, Microsoft will snap it up and the jobs will be there in a very short time.

Commissioner Snodgrass suggested the language of the second part of Policy A.1.5 regarding giving consideration to phasing increases in non-residential development capacity should be much stronger or perhaps mandatory. Ms. Peckol said the Development Guide would have to be the mechanism employed, and an amendment to it would be required.

Ms. Jonas clarified that under the proposal, the development cap would be 16.4 million square feet, which is predicated on not changing the FAR in the employment area. The increase would not be allowed without amending the BROTS agreement.

Turning to the proposed Master Plan and Implementation Strategy, Ms. Jonas explained that the document is intended to bridge the policies and regulations by pulling everything together into a single place. The primary purpose of the Master Plan and Implementation Strategy is to guide public actions and private development to accomplish both public and private objectives in Overlake. The document summarizes the proposed updates to the policies, development regulations and the plans such as the TMP and the PRO Plan; describes a coordinated approach to land use, transportation, parks and natural resources; describes the vision for each of the three subareas; and presents a number of strategies to achieve the vision for the area.

The Master Plan and Implementation Strategy contains an overview, talks about the purpose and process, and gives information on demographic projections for the neighborhood. It also contains a summary of the new and strengthened policy concepts. The bulk of the document is focused on strategies for action based on the five key principles established early in the process. The strategies are divided into three sections: land use and development; transportation; and open space and natural amenities. The final section of the document is the implementation strategy. The proposed transportation improvements are included as an appendix to the document.

Answering a question asked by Commissioner Hinman, Ms. Jonas said the action plan in the implementation section covers a three-year period beginning in 2007 and identifies priority action items.

Ms. Peckol shared with the Commission a matrix comparing the Downtown with Overlake relative to districts having defined intended uses and design character; and a general description of the allowed uses. She noted that what is being proposed for Overlake is more specific than what is in place for the Downtown. Specifically, the proposal will allow existing vehicle drive-throughs, vehicle sales and rentals to continue while not allowing new uses of that nature in Overlake Village. The proposal also includes the addition of a provision allowing local and regional utilities that are greater than 40 feet in height as a conditional use. Ms. Peckol briefly reviewed the proposed design standards for Overlake Village, including 60 percent window coverage, ground-floor commercial or other non-residential fronting most major streets, residential uses on less busy streets, and pedestrian-oriented uses fronting 152nd Avenue phased over time.

Motion to extend the meeting beyond 10:00 p.m. was made by Commissioner Hinman. Second was by Commissioner Snodgrass and the motion carried unanimously.

Ms. Peckol noted that the proposal includes a master planning requirement for larger sites in order to promote coordination within sites and across sites. A minimum amount of residential development in new developments is also a requirement; combined with that

are some adjustments to the commercial FAR regulations to encourage the development of housing.

Ms. Peckol explained that prior to the 1999 neighborhood change, the zoning in the southern portion of the Overlake Village area was Commercial Business. The eastern portion was zoned Commercial Office. Neither of those zones included many Business Park uses; the only property with the BP zoning at that time is the site that is now owned by PS Business Parks. When the city adopted its first Comprehensive Plan under the Growth Management Act in the early 1990s, the development regulations were updated to be consistent with the plan. At that point, the zones in place in Overlake Village were maintained as interim zones under the recognition that they would be revisited as part of the Overlake Neighborhood Plan.

Ms. Peckol shared with the Commission a matrix listing the uses PS Business Parks has asked to have restored to the area. She noted, however, that several of the uses were not in existence at the time of the 1993 or 1999 codes. Prior to the Overlake Neighborhood Plan, pharmaceuticals, biotech, medical equipment and software were permitted in BP zones outside of Overlake only. Electrical and electronic equipment, aircraft, measuring, research and development, construction contractor offices, warehousing and corporate offices were permitted in the Overlake BP zone.

REPORTS

Mr. Marpert said at the June 19 City Council meeting there was a citizen who voiced interest in revisiting the impact fee ordinance. After discussion, the Council directed staff to draft a new ordinance that puts the cents portion back into the calculation.

Mr. Marpert reminded the Commission that the proposal for a four-to-three lane reconfiguration of 166th in the Education Hill plan was brought forward by the Public Works Department as part of the TIP. Their request to the Council was to approve funding for designing the roadway in conjunction with the installation of a traffic signal at 104th and 116th. The Council agreed to move forward with that request and encouraged a wide public process.

The Council also voted approval of the Taylor Development Guide amendment.

Ms. Jonas reported that the open house regarding residential issues related to Overlake is slated for June 28 at 5:30 p.m. in the Council Chambers.

SCHEDULING/TOPICS FOR NEXT MEETING(S)

The Commission reviewed the schedule of upcoming meetings.

ADJOURN

Chair Petitpas adjourned the meeting at 10:16 p.m.

Minutes Approved On:

Recording Secretary
